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Locale Determinations

The purpose of this Q & A is to provide a brief explanation regarding the Association's locale determination process. Please make sure to review applicable rules and guides for additional information.

Q.

Is there a locale provision in the arbitration clause?

A.

Arbitration clauses will often state that the arbitration is to be conducted in a particular locale. However, language stating that the arbitration is conducted under the laws of a certain state or jurisdiction, or that the contract is to be interpreted under the laws of a particular state, is not the same as language specifying locale. For example, the following language clearly states a particular locale: "...by arbitration in Chicago, Illinois, under the rules of the American Arbitration Association."

Note: For consumer disputes, if the claim is under \$75,000 then AAA will require the business to waive the locale if the locale is not reasonable and convenient for the consumer.

Q.

What if the locale is not specified in the arbitration clause?

A.

When the locale is not specified in the arbitration clause or submission agreement, the claimant will generally request that the hearing be held in a specific locale. If the respondent fails to file an objection to the locale requested by the claimant, the AAA will confirm its understanding that the locale requested by the claimant is agreeable.

Q.

What happens if the respondent objects to claimant's locale request?

A.

When a locale objection is filed, each party is requested to submit written statements regarding its reasons for preferring a specific locale. In preparing their written statements, the parties are asked by the administrator to address the following issues:

1. Location of parties & attorneys.
2. Location of witness and documents.
3. Location of records.
4. If construction, location of site, place or materials and the necessity of an on-site inspection.
5. Consideration of relative difficulty in traveling and cost to the parties.
6. Place of performance of contract.
7. Place of previous court actions.
8. Location of most appropriate panel.

9. Any other reasonable arguments that might affect the locale determination.

Q.

Who then determines the locale?

A.

In accordance with the Rules, the AAA shall have the power to determine the locale, and its decision shall be final and binding.

Q.

Can the locale determination be appealed?

A.

No, locale determinations cannot be appealed. All determinations are final.

Q.

What if the parties only disagree regarding the "place" of the hearing within the same general locale?

A.

If the parties disagree on the location of the hearing site (two places within the same community), the arbitrator may determine the location of hearing under the rule governing "Date, Time and Place." The word "Place" in the rules refers to whether the hearing will be held in an AAA room or other facility in the general locale.

Q.

How will we be informed about the AAA's locale determination?

A.

The case manager assigned to the case will announce the AAA's locale determination in a letter to both parties. The applicable part of that letter generally reads: "After careful consideration of the parties' contentions, the AAA has determined that the administration of this matter shall be conducted by the (name of AAA Case Management Center or office) and hearings will be held in (hearing locale)."

Q.

Who should I contact if I have questions regarding my locale determination or any other general questions about the process?

A.

Contact the case manager assigned to your case. The case manager has the most knowledge about every aspect of your case and is there for you throughout the process.

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